

GENERAL ACCOUNT AND CLOSED SESSION MINUTES

Monday, August 16, 2004

The Catawba County Board of Commissioners at its regularly meeting of Monday, August 16, 2004, at 7:53 p.m., upon a motion by Commissioner Hunsucker, which carried unanimously, recessed into Closed Session pursuant to North Carolina General Statute 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses.

Present were Chair Katherine W. Barnes, Vice Chairman Dan A. Hunsucker, Commissioners Glenn E. Barger, Barbara G. Beatty, and Lynn M. Lail.

A quorum was present.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Assistant County Manager Joellen J. Daley, County Attorney Robert Oren Eades, Staff Attorney Debra Bechtel, and County Clerk Thelda B. Rhoney.

The Board invited Catawba County Economic Development Corporation President Scott Millar to attend the closed session.

Centro Plastics

Mr. Millar said Centro Plastics was considering two options for expansion, either the current production site in Claremont of its rotational molding lines making parts for John Deere, Caterpillar, and others, or a new site in Georgia. Georgia has been generous in their offer to entice the 30-50 jobs and the new facility.

The initial option for expansion in Claremont (June 2004) was to add 22,000 - 27,000 sq. ft. and \$1.5 million in new building and equipment. This has since been expanded to 49,500 sq. ft., doubling the current size of the facility. This is an attractive, all brick facility and currently employs about 130 people. The \$5 million project located in Catawba County in 1998; the County did not give incentives for the initial project (the City of Claremont agreed to several incentives, including a 5-year delay of annexation and participated in a CDBG grant enabling the project).

Centro has asked for assistance for an expansion from the City, County, and State.

The promised jobs and the industry sector would qualify as a "most favored" sector under the WPCOG Industry Targeting analysis under FORESIGHT and the regional Future Forward analysis. Under NAICS Code 32612, Plastics Pipe, Fittings & Profile Shapes, the industry weekly average wage is 120.8% of the MSA manufacturing wage and is projected to grow 1.9% through 2010.

Claremont has offered to continue a delay of annexation until July 2005 - \$48,285, yielding two additional years of taxes at 100%. The Company will also be asked to participate in EDA and CDBG grants facilitating an \$800,000 water tank (\$400,000 EDA, \$300,000, and the City is matching \$100,000). The State is putting in approximately \$167,300 in Grants and Credits.

Catawba County Incentive Analysis

	Proposed	Existing Total
Building	\$1,750,000	\$1,865,000
Equipment	<u>\$ 750,000</u>	<u>\$1,000,000</u>
Total	\$2,500,000	\$2,865,000
	\$5,365,000	

Total County Receipts over Five Years ($\$5.365\text{mm} \times \0.0048×5) = \$128,760
Proposed Grant Amount on Proposed only (67% x three years) = \$ 24,120

The Board recommended that Mr. Millar bring this item before the Board at its next regularly scheduled meeting for the Board to consider a three year, 67% grant on proposed project only, based on the creation of a minimum of the creation of at least 30 net new jobs at above the average manufacturing wage. The incentive is approximately 50 percent of the value of Claremont's direct incentive (not calculating the City's CDBG match).

Mr. Millar briefly updated the Board on incentives proposed by the County that have requested up-front payment.

At 8:15 p.m., the Board returned to regular session.

Katherine W. Barnes, Chair

Thelda B. Rhoney, County Clerk